



บริษัท พร็อพเพอร์ตี้ เพอร์เฟก จำกัด (มหาชน)
PROPERTY PERFECT PUBLIC COMPANY LIMITED
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(Translation)

PP 244/2015

17 July 2015

Subject: Third Amendment to the Tender Offer for Securities of Grande Asset Hotels and Property PCL

To: Secretary-General of the Securities and Exchange Commission
Director and Manager of the Stock Exchange of Thailand
Directors and Securities Holders of Grande Asset Hotels and Property PCL

Enclosure1: Third Amendment to the Tender Offer for Securities of Grande Asset Hotels and Property PCL

Enclosure2: The Tender Offer for Securities (Form 247-4) of Grande Asset Hotels and Property PCL (Amendment)

Property Perfect PCL (the "Company") as the Offeror and KTB Advisory Company Limited as the Preparer of the Tender Offer have submitted the Tender Offer for Securities of Grande Asset Hotels and Property PCL ("GRAND") to the Securities and Exchange Commission, the Stock Exchange of Thailand, GRAND, and directors and securities holders of GRAND on 16 June 2015 and later have submitted the First and Second Amendment to the Tender Offer for Securities of GRAND on 30 June 2015.

The Offeror and the Preparer of the Tender Offer would like to further amend the Tender Offer for Securities of GRAND in Part 4 Clause 7 regarding the determination of the Tender Offer Price as detail provided in enclosure. However, this amendment does not affect the Tender Offer Price.

Please be informed accordingly,

Sincerely Yours,

Property Perfect Public Company Limited

[Chainid Adhyanasakul]

[Sirirat Wongwattana]

(Mr. Chainid Adhyanasakul)

(Ms. Sirirat Wongwattana)

Director

Director

The Offeror

KTB Advisory Company Limited

[Kittiphun Anutarasoti]

[Anon Chonmaitree]

(Mr. Kittiphun Anutarasoti)

(Mr. Anon Chonmaitree)

Chairman of the Board of Directors

Supervisor

The Preparer of the Tender Offer

Amendment to the Tender Offer for Securities of Grande Asset Hotels and Property Public Company Limited

Note: The added information is with double underline and ~~the deleted information is with strikethrough~~

Amendment in part 4 page 44 clause 7.1 “The rationale of the Tender Offer Price”

7.1. The rationale of the Tender Offer Price

This Tender Offer is a mandatory tender offer which requires the Offeror to make the tender offer of all securities of the Target after the Offeror had acquired the significant control over the Target through the Tender Offer to all securities of TPROP between 28 April 2015 and 5 June 2015 which the Offeror had acquired 89.67 percent of the total TPROP's issued and paid-up shares. TPROP possesses securities of the Target directly and indirectly in proportion of 40.62 percent of total Target's issued and paid-up shares, equivalent to 40.62 percent of total Target's voting rights. As a result, the Offeror shall have a significant control in the Target pursuant to the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers Clause 6 (Chain Principal) (“Notification No. ThorJor. 12/2011”)

Therefore, the Tender Offer price of Baht 1.29 (One Point Two Nine Baht) is pursuant to Notification No. ThorJor. 12/2011 Clause 37 (1) which requires that for the case that the Offeror or related parties according to Section 258 of the Offeror had not acquired the Target's securities during 90 days before submitting the Tender Offer document to the SEC, the Tender Offer price shall not be lower than the cost of acquiring the control over the Target through other juristic persons. The procedures to calculate the cost of acquisition of the Target's securities (i.e. See-Through Price) are as follows:

7.1.1 Summary of the cost of acquisition of the Target's securities according to the Chain Principle Rule

| No. | Description | TPROP | The Target | |
|-----|-----------------------------------|--|--|--|
| 1 | Total value of securities | Calculated using Discounted Cash Flow method (details and assumptions of calculating cost of shares acquisition in Clause 7.1.2) | Baht 1,230.92 million (Calculated from TPROP (company-only) + PED + the Target (40.62%)) | Baht 2,401.48 million |
| 2 | Value of the Target held by TPROP | Calculated proportionately with shareholding by TPROP in the Target of 40.62% | - | Value of the Target held by TPROP is Baht 975.51 million (40.62% of Baht 2,401.48 million), which is equivalent to 79.25% of total value of TPROP securities |

(Translation)

| No. | Description | TPROP | The Target | |
|-----|--|--|--|--|
| 3 | Cost of acquisition of securities | The Offeror had made the Tender Offer for all securities of TPROP at the offering price Baht 0.57 per share, which is equivalent to the total cost of TPROP acquisition of Baht 1,820.12 million | Baht 1,820.12 million | Baht 1,442.44 million calculated using the value of the Target held by TPROP ^{1/} which is 79.25% of the cost of acquisition of TPROP's securities (from item 2). Therefore, the proportionate value of the Target received by the Offeror is approximately Baht 1,442.44 million (calculated from 79.25% * 1,820.12) |
| 4 | Cost of acquisition of the Target's securities (per share) | - | Baht 0.57 per share which is the Tender Offer price for all TPROP's securities | Baht 1.23 per share calculated by dividing cost of acquisition of the Target's securities of Baht 1,442.44 million (from item 3) by number of the Target's securities held by TPROP ^{1/} (after paying share dividend) of 1,173.56 million shares |
| 5 | The Tender Offer price for all Target's securities | - | - | Baht 1.29 per share which is the Tender Offer price which is not less than cost of acquiring the control over Target through TPROP (from item 4) |

Remark : 1/ total shareholding proportion of the Target by TPROP group which is held by TPROP 5.09% and held by Metro, a subsidiary of TPROP, 35.53%

Therefore, the Tender Offer price for all Target's securities of Baht 1.29 per share is the Tender Offer price which is not less than cost of acquiring the control over the Target through TPROP.

The aforementioned Tender Offer price was approved by the extraordinary general shareholder meeting No.1/2014 of the Company on 29 July 2014 and the 2015 annual general shareholder meeting of the Company on 23 April 2015.

7.1.2 Detail and assumption in calculating cost of acquisition of the Target's securities

The calculation of aforementioned cost of acquisition of the Target's securities uses Discount Cash Flow method of 3 companies including TPROP, Pacific Estate Development Company Limited ("PED") (a subsidiary of TPROP) and the Target. The total value of TPROP given assumption of 3 companies is as follows:

(Translation)

| | Unit: Million Baht |
|--|--------------------|
| TPROP (company-only) – assumption item 1 | (190.62) |
| PED – assumption item 2 | 446.04 |
| The Target (proportion 40.62%) – assumption item 3 | 975.51 |
| Total value of TPROP | 1,230.92 |

The detail and assumption of each company's projection are as follows:

- 1) Assumption on TPROP projection (company-only)
 - In the past, main revenues of TPROP (company-only) came from interest revenue from loans to related parties (Scenery Peak Limited (“SNP”), Metro and the Target); and from management fee (or advisory fee of office building for rent business) as reflected in detail of assumption on PED projection in the next section
 - However, beginning in 2015, since PED has had a new property manager contract, TPROP then no longer receives such revenue. Therefore, considering the related party transaction between TPROP and its subsidiaries including the Target, there will be no interest revenue in the projection period.

| Unit: Million Baht | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F – 2028F |
|--|-------|-------|-------|-------|-------|-------|---------------|
| Interest revenue | 49.24 | 39.48 | 29.63 | - | - | - | - |
| Other revenues (including management fee from PED) | 33.68 | 41.78 | 39.69 | - | - | - | - |

Administrative expense

- Most administrative expenses include employee expenses, office building rent, and directors' compensation. Because main revenue of TPROP administrative expenses is from management fee from PED which no longer exists since 2015. Moreover, new property manager of PED has acquired some TPROP's employees related to PED's property management. Therefore, administrative expenses are projected to reduce approximately to Baht 34.2 million per year with growth rate of 2% a year.

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Financial cost

- Financial cost is assumed to be 7.5% per year and TPROP shall pay out all loans from banks within 2015

Corporate income tax

- Corporate income tax is assumed to be 20% throughout the projection period

Current assets turnover and current liabilities turnover

- Trade account receivable which is PED's management fee is assumed to stay constant throughout the projection period
 - Average trade account payable is assumed to be approximately 150 days
- According to above assumptions, summary of TPROP's performance (company-only) is as follows:

| Unit: Million Baht | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total revenue | 87.8 | 81.3 | 71.1 | - | - | - | - | - | - |
| Cost of selling assets | (2.7) | - | (0.8) | - | - | - | - | - | - |
| Administrative expense | (48.0) | (44.2) | (53.3) | (34.2) | (34.9) | (35.6) | (36.3) | (37.1) | (37.8) |
| EBITDA | 37.2 | 37.1 | 17.1 | (34.2) | (34.9) | (35.6) | (36.3) | (37.1) | (37.8) |

| Unit: Million Baht | 2021F | 2022F | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total revenue | - | - | - | - | - | - | - | - |
| Cost of selling assets | - | - | - | - | - | - | - | - |
| Administrative expense | (38.6) | (39.3) | (40.1) | (40.9) | (41.7) | (42.6) | (43.4) | (44.3) |
| EBITDA | (38.6) | (39.3) | (40.1) | (40.9) | (41.7) | (42.6) | (43.4) | (44.3) |

Growth rate of free cash flow after the projection period

- Given conservative basis, the growth rate of free cash flow after the projection period is assumed to be 0% per year

Discount rate

- Discount rate to calculate present value of free cash flow is Weighted Average Cost of Capital: WACC which is a weighted average of cost of debt (K_d) and cost of equity (K_e) as follows:

$$WACC = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

whereby

(Translation)

K_e = Cost of equity or shareholders' required rate of return (R_e)

K_d = Cost of debt or loan interest rate of TPROP

T = Corporate income tax rate

E = Total shareholders' equity

D = Interest-bearing debt

- Cost of equity (K_e) or shareholders' required rate of return (R_e) is calculated from Capital Asset Pricing Model (CAPM) as follows:

$$K_e \text{ (or } R_e \text{)} = R_f + \beta (R_m - R_f)$$

whereby

Risk Free Rate (R_f) = Based on 30-year government bond yield (December 2014) at 3.86% which is long-term and appropriate government bond yield, assuming going concern operation

Beta (β) = 0.58 – 0.87 times. Given that TPROP's securities are not traded in the Stock Exchange of Thailand and most of TPROP's assets are assets of the Target operating hotel business, the Beta is based on unlevered beta (average weekly 2-year historical data until 31 December 2014 from Bloomberg) of peer comparables including the Erawan Group PCL, Laguna Resorts & Hotels PCL and Central Plaza Hotel PCL and adjusted with interest-bearing debt to equity ratio of TPROP (company-only)

Market Return (R_m) = Average 7-year historical rate of return on SET from 2007 – 2014 which is equal to 18.67%. The said period is likely to include volatility of market in the past (both global economic crisis in 2008 and Thailand's political crisis in 2011 and 2014) and therefore considered to be appropriate representative of market rate of return

K_d = Projected borrowing rate at approximately 7.50% per year based on current average financial cost of TPROP

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D/E Ratio = Interest-bearing debt to equity ratio at 0.02 times which is equal to interest-bearing debt to equity ratio of TPROP (company-only)

T = Estimated corporate income tax rate at 20% per year

- Calculated WACC is 14.84% per year

- Projection of TPROP's free cash flow and present value of free cash flow given aforementioned assumptions can be summarized as follows:

| Unit: Million Baht | 2015F ^{1/} | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F |
|-------------------------------|---------------------|--------|--------|--------|--------|--------|--------|--------|
| Free Cash Flow to Firm (FCFF) | (17.1) | (22.1) | (24.0) | (26.0) | (27.9) | (29.8) | (31.8) | (33.8) |
| Present value of FCFF | (8.8) | (18.0) | (17.0) | (16.0) | (15.0) | (13.9) | (12.9) | (12.0) |

| Unit: Million Baht | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | Terminal Value |
|-------------------------------|--------|--------|--------|--------|--------|--------|----------------|
| Free Cash Flow to Firm (FCFF) | (35.7) | (37.7) | (39.8) | (41.8) | (43.3) | (44.3) | |
| Present value of FCFF | (11.0) | (10.1) | (9.3) | (8.5) | (7.7) | (6.8) | (40.1) |

Remark: 1/ only second half of the year 2015 free cash flow projection

- Present value of TPROP (company-only) as of 30 June 2015 is as follows:

| | Unit: Million Baht |
|---|--------------------|
| Sum of present value of FCFF | (255.6) |
| Add - cash and cash equivalent (projected as of 30 June 2015) ^{1/} | 65.0 |
| Less – outstanding debts ^{1/} | - |
| Present value of TPROP | (190.6) |

Remark: 1/ projected cash inflow from debt repayment from SNP equal to Baht 98.1 million (Considering debt repayment from SNP in 2014 and the first quarter of 2015 in total of Baht 145.9 million, it is likely that the debt repayment from SNP will be fulfilled as in the projection) and deduct with outstanding debt to be paid in 2015 equal to Baht 24.4 million and expenses occurred in the first half of the year 2015

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2) Assumption of PED projection

- PED operates office building for rent business including One Pacific Place Building and Two Pacific Place Building. Currently, PED has leasehold right on land of said office buildings until 31 January 2019.
- Given above conditions, the projection of PED is under following assumptions:

Revenue from rental spaces and services

- Net rental area of One Pacific Place Building is 16,012.25 sq.m. and net rental area of Two Pacific Place Building is 21,563.24 sq.m.
- Rental revenue assumptions are based on historical occupancy rate of 2012 – 2014. Given The occupancy rates in 2014 of One Pacific Place Building and Two Pacific Place Building are at 96.3% and at 99.2% respectively. Considering the location of the buildings which is on Sukhumvit road, close to BTS skytrain, and in a good condition; and the economic benefit, the said office buildings should be continuously utilized the same way as before and thus the projection of the occupancy rate is the same as before until the leasehold right expires, the projection assumes that aforementioned occupancy rates remain constant throughout the projection period because location of the buildings is on Sukhumvit road and close to BTS. In addition, after leasehold right expires, the landlord is likely to continue the office building for rent business.
- Growth rate of rental rate of the buildings is 10.0% for every three years or equivalent to approximately an approximate increase of 3.0% per year which is standard for leasehold right of office building
- Average growth rate of other service fees, such as parking lots and utilities, is 3.0% for every two years

| | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F |
|--|--------|--------|--------|--------|--------|--------|--------|-------|
| No. of month | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 1 |
| Occupancy rate (%) | | | | | | | | |
| <i>One Pacific Place Building</i> | 81.3% | 85.9% | 96.3% | 96.3% | 96.3% | 96.3% | 96.3% | 96.3% |
| <i>Two Pacific Place Building</i> | 85.1% | 95.8% | 99.2% | 99.2% | 99.2% | 99.2% | 99.2% | 99.2% |
| Average rental rate (Baht/ sq.m. / month) | | | | | | | | |
| <i>One Pacific Place Building</i> | 449.2 | 465.2 | 492.4 | 456.6 | 456.6 | 456.6 | 502.3 | 502.3 |
| <i>Two Pacific Place Building</i> | 516.3 | 486.0 | 511.4 | 516.6 | 516.6 | 516.6 | 568.3 | 568.3 |
| Rental revenue (Baht million) | | | | | | | | |
| <i>One Pacific Place Building</i> | 70.19 | 76.79 | 91.08 | 84.47 | 84.47 | 84.47 | 92.91 | 7.74 |
| <i>Two Pacific Place Building</i> | 113.70 | 120.50 | 131.22 | 132.55 | 132.55 | 132.55 | 145.81 | 12.15 |

(Translation)

Cost of services

- Cost of building services (not include the depreciation) in 2012 – 2014 is (approximately 40% of total revenue) and is a direct cost of building office services such as securities services, cleaning services, general building costs, common area electricity expense, general maintenance expense, and bank fee and services. The projection of such cost is assumed to grow at 3% per year.
- Cost of electricity of tenant in 2012 – 2014 is averaged to 78.0% and 72% of electricity revenue of One Pacific Place Building and Two Pacific Place Building respectively. Therefore, cost of electricity of tenant is projected to be equal to the said average.
- Property tax is 8.0% of rental revenue

Selling and administrative expenses

- Historical advisory fee for operating office building for rent business with TPROP in 2012 – 2014 is 15.0% of total revenue. However, beginning 2015, PED has a contract with a new operator with management fee at 12.5% of total revenue.

- Based on above assumptions, PED performance projection is as follows:

| Unit: Million Baht | 2012A ^{1/} | 2013A ^{1/} | 2014A ^{1/} | 2015F | 2016F | 2017F | 2018F | 2019F |
|-------------------------------------|---------------------|---------------------|---------------------|---------|---------|---------|---------|-------|
| No. of month (month) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 1 |
| Total revenue | 218.1 | 231.0 | 262.1 | 254.3 | 255.3 | 256.1 | 278.8 | 23.3 |
| Cost of services | (86.3) | (89.0) | (96.6) | (100.8) | (102.9) | (106.7) | (110.4) | (1.9) |
| Selling and administrative expenses | (59.7) | (45.2) | (39.3) | (32.1) | (32.3) | (32.4) | (35.3) | (3.0) |
| EBITDA | 72.1 | 96.9 | 126.2 | 121.3 | 120.0 | 116.9 | 133.1 | 18.5 |

Remark : 1/ actual performance in 2012-2014 adjusted with extraordinary items to align with future projection

Discount rate

- Discount rate of PED's cash flow is determined as follows:
 - Location of buildings at CBD on Sukhumvit road and close to BTS. Average expected rate of return of investor on office building for rent is 6.0% - 8.0% as referred to 2014 summary of rate of return on real estate investment

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- Average rate of return on 4 - 5 year government bond is approximately 2.5%
 - Given long-term business with high occupancy rate, the discount rate for PED's cash flow is between 9.0% and 10.0%
 - Therefore, the discount rate for PED's cash flow is approximately 9.5%
- Since PED's leasehold right will expire on 31 January 2019 or in approximately 4 years 1 month (as of 31 December 2014), the valuation then takes into account only the sum of cash flow generated during those period and beginning cash flow (as of 31 December 2014)
- Therefore, projection and present value of future cash flow using Income Approach method under aforementioned assumptions are as follows:

| Unit: Million Baht | 2015F | 2016F | 2017F | 2018F | 2019F ^{2/} |
|----------------------------|-------|-------|-------|-------|---------------------|
| Cash flow ^{1/} | 121.3 | 120.0 | 116.9 | 133.1 | 18.5 |
| Present value of cash flow | 110.9 | 100.4 | 89.5 | 93.2 | 12.8 |

Remark : 1/ projection of cash flow of PED (or equivalent to EBITDA)

2/ only one month of 2019 since leasehold right will expire on 31 January 2019

- Given cash in PED's projection is approximately Baht 39.1 million on 31 December 2014, present value of net cash flow as of 31 December 2014 is as follows:

| | Unit: Million Baht |
|--|--------------------|
| Sum of present value of cash flow | 406.9 |
| Add - cash and cash equivalent (preliminary Information from PED as of 31 December 2014) | 39.1 |
| Present value of PED | 446.0 |

3) Assumption of the Target (GRAND) projection

- Main operating assets of GRAND are 4 hotels including 1) The Westin Grande Sukhumvit Bangkok 2) Sheraton Hua Hin Resort & Spa 3) Sheraton Hua Hin Pranburi Villas 4) Hyatt Regency Bangkok Sukhumvit (under construction with expected completion in 2017). The projection assumptions of each operating assets are as follows:

1. The Westin Grande Sukhumvit Bangkok (leasehold right until 2022)

Currently, the Westin Grande Sukhumvit Bangkok is under leasehold right until April 2022. The said asset is under the prosecution process between the landlord (plaintiff) and the Target (defendant) regarding the violation of leasehold right which is currently under the consideration of the Supreme Court. If the Supreme Court sentences the landlord to be a winner, the Target is obligated to pay Baht 79.0 million and return the said hotel to the landlord (cancellation of such leasehold right). However, according to the note of financial statement as of 31 March 2015 and an inquiry of the Target, it is likely that the consideration of the case will take 2 – 3 years and that the Supreme Court will dismiss such prosecution.

Services revenue

- Occupancy rates in 2012 – 2014 are 75.2%, 76.9% and 58.1% respectively. In 2014, domestic political unrest and martial law reduced number of incoming tourists and businessman. Considering 1) adjacent competitors, 2) and average historical occupancy rate performance of 70.0%, 3) an adjustment to 2014 occupancy rate of 58.1% from an impact of political instability and martial law in Thailand on number of incoming tourists and businessmen, the projected occupancy rate is assumed to be 70.0% throughout the projection period
- Average room rate in 2012 – 2014 is approximately Baht 3,813 per room per day. Projected 2015 average room rate is Baht 4,208 per room per day. An increase in average room rate is because there were instable situations in 2014 which had a negative impact on room rate. Considering 2013 average room rate at Baht 3,941 per day, average room rate in 2015 has increased 3.0% per year so the growth rate of average room rate throughout the projection period is 3.0% per year.
- Historical other revenues such as food and beverage, telephone, and other services in 2012 – 2014 are 53.5%, 50.5% and 51.4% to room revenue respectively. The projection of other revenues then consider average of the said historical proportion of 51.8% and set a bit higher at 52.6% of room revenue throughout the projection period. The said proportion is considered appropriate because such hotel has restaurants including Seasonal Taste restaurant, Zest Bar and Terrace restaurant, Kisso Japanese restaurant, and

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the Pool Bar; and also provides event arrangement with more than 11 rooms (approximately 1,364 square metre).

| | 2012A | 2013A | 2014A ^{1/} | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F ^{2/} |
|---|-------|-------|---------------------|-------|-------|-------|-------|-------|-------|-------|---------------------|
| No. of room (room) | 364 | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 | 362 |
| Occupancy rate (%) | 75.2 | 76.9 | 58.1 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 |
| Average room rate (Baht/room/day) | 3,754 | 3,941 | 3,746 | 4,208 | 4,334 | 4,464 | 4,598 | 4,736 | 4,878 | 5,024 | 5,175 |
| Growth rate of average room rate (%) | 2.3 | 5.0 | (4.9) | 12.3 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Proportion of other revenues to room revenue (food and beverage, telephone, and other services) (%) | 53.5 | 50.5 | 51.4 | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 |

Remark : 1/ performance projection as of the day doing the projection
2/ projection until leasehold right expiration date on 16 April 2022

Cost of services

- Cost of service consists of employee expense, material cost, and supplies but not yet includes service expense, hotel operator fee, ~~and common area expense, and asset maintenance and repair expense~~ which are included in selling and administrative expenses in the next section. Main assumptions of projection are as follows:
 - Direct cost of room services in 2012 – 2014 is 18.1%, 18.9%, and 19.5% of room revenue respectively. It is assumed to be approximately 19.5% of room revenue throughout the projection period (refer to last year direct cost of room services).
 - Other services costs including cost of food and beverage, telephone, and other services are approximately 64.0%, 65.0%, and 69.2% of services revenue in 2012 – 2014 respectively. They are assumed to be approximately 68.6% of services revenue throughout the projection period (refer to 3-year average of other services costs of each service cost).

Summary of services revenue and cost of services are as follows:

(Translation)

| | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F ^{1/} |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Room revenue | 374.8 | 400.3 | 356.2 | 389.2 | 400.8 | 412.9 | 425.2 | 438.0 | 451.1 | 464.7 | 137.7 |
| Other revenues | 200.5 | 199.8 | 200.1 | 204.7 | 210.8 | 217.2 | 223.7 | 230.4 | 237.3 | 244.4 | 72.4 |
| Total revenue | 575.3 | 600.1 | 556.4 | 593.9 | 611.7 | 630.0 | 648.9 | 668.4 | 688.4 | 709.1 | 210.1 |
| Cost of room | (68.0) | (75.6) | (69.4) | (75.8) | (78.1) | (80.4) | (82.8) | (85.3) | (87.9) | (90.5) | (26.8) |
| Cost of other revenues | (128.4) | (130.0) | (138.4) | (140.4) | (144.6) | (148.9) | (153.4) | (158.0) | (162.7) | (167.6) | (49.7) |
| Total cost | (196.3) | (205.5) | (207.8) | (216.2) | (222.7) | (229.3) | (236.2) | (243.3) | (250.6) | (258.1) | (76.5) |
| Gross profit | 379.0 | 394.6 | 348.6 | 377.7 | 389.0 | 400.7 | 412.7 | 425.1 | 437.8 | 451.0 | 133.6 |

Remark : 1/ projection until leasehold right expiration date on 16 April 2022

2. Sheraton Hua Hin Resort & Spa (freehold)

Services revenue

- Occupancy rates in 2012 – 2014 are 67.8%, 73.0% and 64.5% respectively. In 2014, the hotel was impacted from lower number of foreign tourists from domestic political instability. Therefore, Considering considering adjacent competitors and historical performance, projected occupancy rate is 70.0% throughout the projection period which matches the projected occupancy rate of the Westin Grande Sukhumvit Bangkok.
- Average room rate per room in 2012 – 2014 is at Baht 3,561, Baht 3,742, and Baht 3,792 respectively approximately Baht 3,698 per room per day. Projected 2015 average room rate is Baht 3,970 per room per day which is 4.7% growth rate from 2014. If considering the average room rate in 2013 with 3% growth rate per year, average room rate will be approximately Baht 3,970 (2014 performance was impacted by aforementioned situations). Starting 2016, The the growth rate of average room rate throughout the projection period is 3% per year (projected inflation rate).
- Projection of other revenues such as food and beverage, telephone, and other services is based on its historical average proportion of room revenue in 2012 - 2014. Considering the proportion of other revenues in 2012 and 2013 at 66.1% and 62.1% of room revenue respectively (before impacts of political situations in Thailand on number of tourists in 2014), the projection of proportion of other revenues is assumed to be approximately 64.0% of room revenue throughout the projection period.

(Translation)

| | 2012A | 2013A | 2014A [#] | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F – 2033F |
|---|-------|-------|--------------------|-------|-------|-------|-------|-------|---------------|
| No. of room (room) | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 | 240 |
| Occupancy rate (%) | 67.8 | 73.0 | 64.5 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 |
| Average room rate (Baht/room/day) | 3,561 | 3,742 | 3,792 | 3,970 | 4,089 | 4,211 | 4,338 | 4,468 | 4,602 - 6,561 |
| Growth rate of average room rate (%) | 2.0 | 5.1 | 1.3 | 4.7 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Proportion of other revenues to room revenue (food and beverage, telephone, and other services) (%) | 66.1 | 62.1 | 56.7 | 64.0 | 64.0 | 64.0 | 64.0 | 64.0 | 64.0 |

Remark : — 1/ performance projection as of the day doing the projection

Cost of services

- Cost of service consists of employee expense, material cost, and supplies but not yet includes service expense, hotel operator fee, and common area expense, and asset maintenance and repair expense which are included in selling and administrative expenses in the next section. Main assumptions of projection are as follows:
 - Direct cost of room services in 2012 – 2014 is 18.6%, 18.9%, and 18.2% of room revenue respectively. #Average direct cost of room services – is assumed to be approximately 18.2% of room revenue throughout the projection period (refer to last year direct cost of room services).
 - Other services costs including cost of food and beverage, telephone, and other services are approximately 63.9%, 61.9%, and 62.5% of services revenue in 2012 – 2014 respectively. They are assumed to be approximately 62.5% of services revenue throughout the projection period: (refer to last year other services costs).

Summary of services revenue and cost of services are as follows:

| | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Room revenue | 212.0 | 239.1 | 236.3 | 243.4 | 250.7 | 258.2 | 266.0 | 274.0 | 282.2 | 290.7 | 299.4 |
| Other revenues | 140.1 | 148.6 | 151.2 | 155.8 | 160.4 | 165.3 | 170.2 | 175.3 | 180.6 | 186.0 | 191.6 |
| Total revenue | 352.1 | 387.7 | 387.6 | 399.2 | 411.2 | 423.5 | 436.2 | 449.3 | 462.8 | 476.7 | 491.0 |
| Cost of room | (39.4) | (45.2) | (42.9) | (44.2) | (45.5) | (46.9) | (48.3) | (49.7) | (51.2) | (46.5) | (47.9) |
| Cost of other revenues | (89.5) | (91.9) | (94.5) | (97.4) | (100.3) | (103.3) | (106.4) | (109.6) | (112.9) | (116.3) | (119.7) |
| Total cost | (128.9) | (137.1) | (137.4) | (141.5) | (145.8) | (150.2) | (154.7) | (159.3) | (164.1) | (162.8) | (167.6) |
| Gross profit | 223.2 | 250.5 | 250.1 | 257.6 | 265.4 | 273.3 | 281.5 | 290.0 | 298.7 | 313.9 | 323.3 |

(Translation)

| | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F | 2033F |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Room revenue | 308.4 | 317.6 | 327.1 | 337.0 | 347.1 | 357.5 | 368.2 | 379.2 | 390.6 | 402.3 | 414.4 |
| Other revenues | 197.3 | 203.2 | 209.3 | 215.6 | 222.1 | 228.7 | 235.6 | 242.7 | 250.0 | 257.5 | 265.2 |
| Total revenue | 505.7 | 520.9 | 536.5 | 552.6 | 569.1 | 586.2 | 603.8 | 621.9 | 640.6 | 659.8 | 679.6 |
| Cost of room | (49.3) | (50.8) | (52.3) | (53.9) | (55.5) | (57.2) | (58.9) | (60.7) | (62.5) | (64.4) | (66.3) |
| Cost of other revenues | (123.3) | (127.0) | (130.8) | (134.8) | (138.8) | (143.0) | (147.3) | (151.7) | (156.2) | (160.9) | (165.7) |
| Total cost | (172.7) | (177.8) | (183.2) | (188.7) | (194.3) | (200.2) | (206.2) | (212.4) | (218.7) | (225.3) | (232.1) |
| Gross profit | 333.0 | 343.0 | 353.3 | 363.9 | 374.8 | 386.0 | 397.6 | 409.6 | 421.8 | 434.5 | 447.5 |

3. Sheraton Hua Hin Pranburi Villas (leasehold right until 2032)

- The Target has made an investment in ordinary shares of Owendelle Company Limited (through Honor Business Company Limited) which has leasehold right on land and building of Six Senses Hideaway Hua Hin. After the said shares investment, the asset had been renovated and renamed to Sheraton Hua Hin Pranburi Villas, and reopened since 1 October 2013.
- Since there is no historical track record and the hotel is opened for only about one year, the revenue projection is based on projection of the Target from management interview and appropriate adjustment on conservative basis as follows:

Services revenue

- Considering historical performance in 2014, the performance is still low compared to the projection at the average occupancy rate approximately 33.2%. However, the occupancy rate is expected to be higher after the marketing campaign becomes effective and the hotel is more well-known together with improving economic condition and higher number of tourists from more stable political situation. The projected occupancy rate is 60.0% throughout the projection period.
- The projection of average room rate in 2014 is Baht 6,603.0 per room per day. The retail room rate in 2015 during low season is Baht 6,000 – 10,000 per room per day and during high season is Baht 9,000 – 18,000. Considering the feature and size of the room which is a pool villa (villa surrounded by pool) and the target customer which has high ability to pay and looks for private environment and increased to Baht 10,000 per room

(Translation)

per day. Considering room rate in 2015 during low season, retail room rate is Baht 6,000 — 10,000 per room per day and becomes Baht 9,000 — 18,000 per room per day during high season, the projected average room rate is assumed to be of Baht 10,000 per room per day in 2015 throughout the projection period is appropriate.

- Growth rate of average room rate is 3% per year (starting 2016)
- Considering the location of the hotel and the target customer who prefers private environment and has high ability to pay, together with the an inquiry from the management of the Target, the proportion of other services revenues such as food and beverage, and spa services are projected to be approximately 52.6% of room revenue (close to those of Westin Grande Sukhumvit Bangkok)
- Projection of proportion of others revenues to room revenue is 52.6%, based on management interview and competitor with the same level.
- Projected net operating profit after deducting operating expenses and management fee is approximately 40.0%

| | 2014A ^{1/} | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F – 2032 ^{1/} |
|---|---------------------|--------|--------|--------|--------|--------|----------------------------|
| No. of room (room) | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Occupancy rate (%) | 33.2 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Average room rate (Baht/room/day) | 6,603 | 10,000 | 10,300 | 10,609 | 10,927 | 11,255 | 11,593 - 16,528 |
| Growth rate of average room rate (%) | - | - | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Proportion of other revenues to room revenue (food and beverage, telephone, and other services) (%) | 30.6 ^{2/} | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 | 52.6 |

Remark : 1/ projection until leasehold right expiration date on 7 November 2032

2/ performance projection as of the day doing the projection

Cost of services

- Cost of service consists of employee expense, material cost, and supplies but not yet includes service expense, hotel operator fee, and common area expense, and asset maintenance and repair expense which are included in selling and administrative expenses in the next section. Main assumptions of projection are as follows:

(Translation)

- Cost of room services in 2014 was 33.0% of room revenue. Considering low room revenue, average room rate per room, and occupancy rate in those period, when comparing cost to average room rate of Baht 10,000 per room per day, the projection of cost of room service is adjusted down to 12% of room revenue (close to actual expense). Most cost of room services is employee expense which will not increase in the same rate as occupancy rate when it increases. Because the hotel is opened for its first whole year in 2014 and hence the performance may not yet reflect the long term figures, ~~cost of services is assumed to be approximately 12.0% of room revenue, considering assumptions and management interview of the Target.~~
- Since the hotel is 5-star pool villa type and the target group has ability to pay for higher price, there will be higher ability to set the margin of other services compared to other hotels of the Target price. Therefore, projected other services cost is assumed to be 54.3% of services revenue is appropriate.
- Considering aforementioned assumptions, the performance projection is as follows:

| | 2014A ^{1/} | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F | 2023F |
|------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Room revenue | 78.5 | 116.1 | 119.6 | 123.1 | 126.8 | 130.6 | 134.6 | 138.6 | 142.8 | 147.0 |
| Other revenues | 41.2 | 61.0 | 62.8 | 64.7 | 66.7 | 68.7 | 70.7 | 72.8 | 75.0 | 77.3 |
| Total revenue | 119.7 | 177.1 | 182.4 | 187.9 | 193.5 | 199.3 | 205.3 | 211.4 | 217.8 | 224.3 |
| Cost of room | (9.4) | (13.9) | (14.3) | (14.8) | (15.2) | (15.7) | (16.1) | (16.6) | (17.1) | (17.6) |
| Cost of other revenues | (22.4) | (33.1) | (34.1) | (35.1) | (36.2) | (37.3) | (38.4) | (39.5) | (40.7) | (41.9) |
| Total cost | (31.8) | (47.0) | (48.5) | (49.9) | (51.4) | (52.9) | (54.5) | (56.2) | (57.9) | (59.6) |
| Gross profit | 87.9 | 130.0 | 133.9 | 138.0 | 142.1 | 146.4 | 150.7 | 155.3 | 159.9 | 164.7 |

| | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F ^{2/} |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| Room revenue | 151.4 | 156.0 | 160.7 | 165.5 | 170.5 | 175.6 | 180.8 | 186.3 | 163.5 |
| Other revenues | 79.6 | 82.0 | 84.4 | 87.0 | 89.6 | 92.3 | 95.0 | 97.9 | 85.9 |
| Total revenue | 231.0 | 238.0 | 245.1 | 252.5 | 260.0 | 267.8 | 275.9 | 284.1 | 249.4 |
| Cost of room | (18.2) | (18.7) | (19.3) | (19.9) | (20.5) | (21.1) | (21.7) | (22.4) | (19.6) |
| Cost of other revenues | (43.2) | (44.5) | (45.8) | (47.2) | (48.6) | (50.1) | (51.6) | (53.1) | (46.6) |
| Total cost | (61.4) | (63.2) | (65.1) | (67.1) | (69.1) | (71.2) | (73.3) | (75.5) | (66.2) |

(Translation)

| | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F ^{2/} |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------|
| Gross profit | 169.7 | 174.8 | 180.0 | 185.4 | 191.0 | 196.7 | 202.6 | 208.7 | 183.1 |

Remark : 1/ performance projection as of the day doing the projection

2/ projection until leasehold right expiration date on 7 November 2032

4. Hyatt Regency Bangkok Sukhumvit

- The asset is under construction with expected completion and opening in the first quarter of 2017. There will be an increase in cost of real estate development in 2015 - 2017 approximately Baht 1,746.0 million as referred to independent appraisal report (Knight Frank Chartered (Thailand) Company Limited ("KFT")) of the asset.
- The cash flow performance projection of the asset is based on assumptions of independent appraisal report (KFT) and peer comparison as follows:

| | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F | 2023F - 2033F |
|---|-------|-------|-------|-------|-------|-------|---------------|
| No. of room (room) | 273 | 273 | 273 | 273 | 273 | 273 | 273 |
| Occupancy rate (%) | 55.0 | 55.0 | 60.0 | 65.0 | 70.0 | 75.0 | 75.0 |
| Average room rate (Baht/room/day) | 4,500 | 4,860 | 5,103 | 5,358 | 5,626 | 5,795 | 5,969 - 8,021 |
| Growth rate of average room rate (%) | - | 8.0 | 5.0 | 5.0 | 5.0 | 3.0 | 3.0 |
| Proportion of other revenues to room revenue (food and beverage, telephone, and other services) (%) | 87.0 | 87.0 | 87.0 | 97.0 | 97.0 | 97.0 | 97.0 |
| Room cost (%) | 16.0 | 16.0 | 16.0 | 15.0 | 15.0 | 15.0 | 13.0 - 15.0 |
| Other services cost (%) | 48.0 | 48.0 | 48.0 | 48.0 | 46.1 | 46.1 | 46.1 |

Services Revenue

- Average occupancy rate is approximately Baht 4,500 per room per day as referred from assumptions of the independent appraiser compared with the Westin Grande Sukhumvit Bangkok and nearby hotels. In addition, such average room rate is close to those of the Westin Grande Sukhumvit Bangkok in 2017.
- The average occupancy rate in the first 2 years is at 55.0% which is during the process of opening the hotel and building customer base. Such rate is assumed to be increased 5% per year until 2022 (with 75% occupancy rate) because the hotel is new and its business plan is to attract customers using Meetings, Incentives, Conferences and Exhibitions ("MICE") which will boost

(Translation)

the average occupancy rate. In addition, such occupancy rate is close to those of the Westin Grande Sukhumvit Bangkok.

- The growth rate in room rate is 8.0% in 2018; is 5.0% in 2019 – 2021; and is 3.0% after 2022 as referred to appraisal report of KFT. The growth prospect is supported by newer hotel condition compared to nearby competitors, MICE target customers (higher ability to pay compared to normal tourists), tourism and economic condition at that time.
- Other services revenues such as food and beverage, and other services. With focus on MICE target customer, proportion of other services revenues is high compared to room revenue at projected 87.0% of room revenue in 2017 – 2020 and increases to 97.0% of room revenue starting 2021 until the end of the projection.

Cost of services

- Cost of service consists of employee expense, material cost, and supplies but not yet includes service expense, hotel operator fee, common area expense, and asset maintenance and repair expense which are included in selling and administrative expenses in the next section. Main assumptions of projection are as follows:
 - Direct cost of room services is projected to be 16.0% of room revenue and decreases to 15.0% starting 2020. Such proportion is close to those of the Westin Grande Sukhumvit Bangkok with small discount from higher average room rate. In addition, with higher occupancy rate, there will be an economies of scale in fixed cost especially employee expense.
 - Other services costs including cost of food and beverage, and other services such as seminar event, wedding ceremony are approximately 48.0% of other services revenues in 2017 – 2020 and reduce to approximately 46.1% of other services revenues starting 2021. The reduction to approximately 46.1% of other services revenues is from higher proportion of food and beverage revenue starting 2021.
- Revenue projection from aforementioned assumptions is as follows:

(Translation)

| | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F |
|------------------------|-------|-------|-------|-------|-------|----------------|----------------|----------------|----------------|----------------|----------------|
| Room revenue | | | | | | 223.0 | 266.4 | 305.1 | 347.0 | 392.4 | 433.1 |
| Other revenues | | | | | | 194.0 | 231.7 | 265.4 | 301.9 | 380.7 | 420.1 |
| Total revenue | | | | | | 417.0 | 498.1 | 570.5 | 649.0 | 773.1 | 853.1 |
| Cost of room | | | | | | (35.7) | (42.6) | (48.8) | (52.1) | (58.9) | (65.0) |
| Cost of other revenues | | | | | | (100.9) | (120.5) | (138.1) | (157.0) | (205.0) | (226.3) |
| Total cost | | | | | | (136.6) | (163.1) | (186.9) | (209.1) | (263.9) | (291.2) |
| Gross profit | | | | | | 280.4 | 334.9 | 383.7 | 439.9 | 509.2 | 561.9 |

| | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F | 2033F |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Room revenue | 446.1 | 459.4 | 473.2 | 487.4 | 502.0 | 517.1 | 532.6 | 548.6 | 565.1 | 582.0 | 599.5 |
| Other revenues | 432.7 | 445.7 | 459.0 | 472.8 | 487.0 | 501.6 | 516.6 | 532.1 | 548.1 | 564.5 | 581.5 |
| Total revenue | 878.7 | 905.1 | 932.3 | 960.2 | 989.0 | 1,018.7 | 1,049.3 | 1,080.7 | 1,113.2 | 1,146.6 | 1,181.0 |
| Cost of room | (66.9) | (78.1) | (80.4) | (82.9) | (85.3) | (87.9) | (90.5) | (93.3) | (96.1) | (98.9) | (101.9) |
| Cost of other revenues | (233.1) | (240.1) | (247.3) | (254.7) | (262.3) | (270.2) | (278.3) | (286.6) | (295.2) | (304.1) | (313.2) |
| Total cost | (300.0) | (318.2) | (327.7) | (337.5) | (347.7) | (358.1) | (368.8) | (379.9) | (391.3) | (403.0) | (415.1) |
| Gross profit | 578.8 | 586.9 | 604.5 | 622.7 | 641.4 | 660.6 | 680.4 | 700.8 | 721.9 | 743.5 | 765.8 |

5. Revenue from sale of real estate

- Revenue from sale of real estate and other operating assets such as real estate for sale (condominium) The Hyde project (only 34 big rooms and penthouses remaining) and other projects such as The Trendy project (2 rooms remaining) and Hua Hin Blue Lagoon project (6 rooms remaining). As of the time doing the projection and sale plan of the project, they are expected to transfer to clients within 2015. Under conservative assumptions and to include revenue from all said real estate for sale, with the projected revenue from sale of all such real estate is in 2015 and is approximately Baht 2,200.00 million or equivalent to gross profit margin from selling real estate of approximately 41.0% which is higher than that of 2014 of 35.6%. This is because only remaining rooms in The Hyde project are big rooms and they are likely to have higher margin and cost of real estate development approximately 59.0% (or equivalent to gross profit margin from selling real estate of approximately 41.0%)
- In addition, based on projection of the Target, it will develop real estate for sale (condominium) in The Hyde II project with project value of Baht 4,000 million located at Sukhumvit 11. However, at the time doing the projection, the said project was under pre-sale process and not yet constructed. From additional

(Translation)

inquiry of the Target, the said project is under accumulating booking amount to meet the target (approximately 50% of the project value or Baht 2,000 million) to follow the condition of project finance contract. Therefore, under the said situation and depressed real estate market, the project may be postponed from slowly filled booking amount.

Therefore, in developing the projection of the Target, the Preparer of the Tender Offer has an opinion that the said project still requires a lot of capital to develop and may not be able to make a stable projection of future cash flow. Therefore, the said project value is then assumed to be equal to the market value of land of the project which is owned by the Target and is valued at Baht 862.2 million by KFT independent appraiser. The instability of the project is a risk of the Offeror after the Tender Offer. Therefore, the said determination of the project value at the market value of land is appropriate and can reflect the present value of the Target.

6. Selling and administrative expenses

- Administrative expense is related to hotel operation, hotel maintenance and repair expense, and common area management both for hotels and condominiums (only in 2015), including wage and employee expense, common area and management expense, hotel license fee, fees, insurance premium, and taxes. The hotel management expense is projected to increase at 3.0% which matches the growth rate of revenue from hotel management. In the past, historical administrative expense is approximately 50%–58% of hotel revenue. However, after an acquisition and opening of Sheraton Hua Hin Pranburi Villas, the use of pooled human resources between Sheraton Hua Hin Pranburi Villas and Sheraton Hua Hin Resort & Spa promotes the economies of scale of management team and operating officers. Therefore, administrative expense is reduced to 40% of hotel revenue.
- In 2013 and 2014, selling expense increased from transferring/selling real estate (condominium) of the Target. However, in 2015, the revenue projection from selling additional real estate is Baht 2,200 million with selling expense of 5.0% of revenue from selling real estate (most are fees and taxes from transferring real estate and marketing expense).

(Translation)

- Growth rate in selling expense is 3% aligned with projected inflation rate and an increase in room rate
- Below is summary of selling and administrative expenses ~~and their proportion to operating revenues such as revenue from hotel and revenue from selling real estate~~. In 2014 – 2015, increasing selling and administrative expenses come from sale of the condominium and after it is sold off in 2015, selling and administrative expenses will include common area expense and selling and management of hotels which are main operating assets of the Target are low at 16.8% and 22.7% due to higher proportion of revenue from selling real estate as reflected in higher selling expense.

| Unit: Million Baht | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Selling expense | 224.4 | 155.3 | 334.6 | 218.9 | 112.2 | 136.4 |
| Administrative expense | 461.5 | 530.0 | 482.1 | 547.2 | 466.6 | 555.7 |
| Selling and administrative expenses | 686.0 | 685.2 | 816.8 | 766.1 | 578.8 | 692.0 |

| Unit: Million Baht | 2018F | 2019F | 2020F | 2021F | 2022F | 2023F |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Selling expense | 143.9 | 151.1 | 158.7 | 168.7 | 121.1 | 101.6 |
| Administrative expense | 584.5 | 609.8 | 636.7 | 661.0 | 529.8 | 473.7 |
| Selling and administrative expenses | 728.4 | 760.9 | 795.4 | 829.7 | 650.8 | 575.2 |

| Unit: Million Baht | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Selling expense | 104.6 | 107.8 | 111.0 | 114.3 | 117.8 | 121.3 |
| Administrative expense | 483.9 | 494.8 | 506.1 | 517.6 | 529.5 | 541.6 |
| Selling and administrative expenses | 588.5 | 602.6 | 617.1 | 632.0 | 647.2 | 662.9 |

| Unit: Million Baht | 2030F | 2031F | 2032F | 2033F |
|--|--------------|--------------|--------------|--------------|
| Selling expense | 124.9 | 128.7 | 132.6 | 120.2 |
| Administrative expense | 554.1 | 566.9 | 575.0 | 511.2 |
| Selling and administrative expenses | 679.0 | 695.6 | 707.5 | 631.4 |

7. Financial cost

- The Target has financial cost including interest paid to unrelated party and long term bank loan with average annual interest rate of approximately 3.0 – 7.5%.

(Translation)

8. Corporate income tax

- Corporate income tax is assumed to be 20% throughout the projection period.

9. Current asset turnover and current liability turnover

- Considering historical information in 2012 – 2014 and appropriateness,
Average trade account receivable is approximately 80 days
Average trade account payable is approximately 110 days

10. Capital Expenditure: CAPEX

- The projection of CAPEX of Hyatt Regency Bangkok Sukhumvit is in total Baht 1,746.0 million. It is used during in 2015 – 2017 in an amount of Baht 807.0 million, Baht 600.0 million, and Baht 339.0 million respectively as referred from an appraisal report of KFT which is considered as standard assumptions of appraiser.
- Maintenance and repair budget expenses for the hotels asset are approximately 1.0% of hotel revenue per year. They do not include an extra CAPEX other than normal which is already included in administrative expenses (5.0% – 6.0% of hotel revenue). Therefore, the said maintenance and repair budget should be adequate.
- The Westin Grande Sukhumvit Bangkok is not allocated additional maintenance and repair budget because it is under only 7-year leasehold right (April 2022)
- Ballroom of Sheraton Hua Hin Resort & Spa was renovated in 2014. In addition, in normal business operation, the Target has consistently allocated maintenance expense as described above.
- The Target acquired Sheraton Hua Hin Pranburi Villas in 2013 and repaired the hotel in October 2013 before its opening. Therefore, there is no plan to use additional maintenance and repair budget. Besides, with only one floor, the maintenance and repair budget of the hotel is proportionately small. In addition, because leasehold right of the hotel will expire in 18 years, the Target may not consider spending more major maintenance expense when approaching the expiration and. It is likely to just maintain the condition of the hotel.

(Translation)

- Hyatt Regency Bangkok Sukhumvit will be launched in 2017. Therefore, the current demand for maintenance and repair budget is still low.

- Summary of the Target's projection from aforementioned assumptions of currently operating hotels is as follows:

| Unit: Million Baht | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F |
|--|---------|---------|---------|---------|---------|---------|
| Revenue from hotel business | 908.9 | 997.4 | 824.6 | 1,170.1 | 1,205.2 | 1,658.3 |
| Revenue from selling real estate | 29.3 | 209.5 | 4,043.7 | 2,200.0 | - | - |
| Gross profit from hotel business ^{1/} | 583.7 | 630.7 | 487.0 | 765.4 | 788.3 | 1,092.4 |
| Gross profit from selling real estate | (0.2) | 57.6 | 1,440.7 | 906.2 | - | - |
| Selling and administrative expense | (686.0) | (685.2) | (816.8) | (766.1) | (578.8) | (692.0) |
| EBITDA ^{2/} | (47.0) | 96.2 | 1,170.4 | 979.8 | 283.8 | 474.6 |

| Unit: Million Baht | 2018F | 2019F | 2020F | 2021F | 2022F | 2023F |
|--|---------|---------|---------|---------|---------|---------|
| Revenue from hotel business | 1,776.7 | 1,887.5 | 2,005.5 | 2,170.3 | 1,772.0 | 1,608.7 |
| Revenue from selling real estate | - | - | - | - | - | - |
| Gross profit from hotel business ^{1/} | 1,171.3 | 1,245.1 | 1,327.1 | 1,429.3 | 1,178.8 | 1,076.5 |
| Gross profit from selling real estate | - | - | - | - | - | - |
| Selling and administrative expense | (728.4) | (760.9) | (795.4) | (829.7) | (650.8) | (575.2) |
| EBITDA ^{2/} | 517.2 | 558.5 | 606.1 | 673.9 | 602.3 | 575.6 |

| Unit: Million Baht | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F |
|--|---------|---------|---------|---------|---------|---------|
| Revenue from hotel business | 1,657.0 | 1,706.7 | 1,757.9 | 1,810.6 | 1,865.0 | 1,920.9 |
| Revenue from selling real estate | - | - | - | - | - | - |
| Gross profit from hotel business ^{1/} | 1,099.6 | 1,132.6 | 1,166.6 | 1,201.6 | 1,237.6 | 1,274.7 |
| Gross profit from selling real estate | - | - | - | - | - | - |
| Selling and administrative expense | (588.5) | (602.6) | (617.1) | (632.0) | (647.2) | (662.9) |
| EBITDA ^{2/} | 585.4 | 604.3 | 623.8 | 643.9 | 664.7 | 686.1 |

| Unit: Million Baht | 2030F | 2031F | 2032F | 2033F |
|--|---------|---------|---------|---------|
| Revenue from hotel business | 1,978.5 | 2,037.9 | 2,055.7 | 1,860.5 |
| Revenue from selling real estate | - | - | - | - |
| Gross profit from hotel business ^{1/} | 1,313.0 | 1,352.4 | 1,361.1 | 1,213.4 |
| Gross profit from selling real estate | - | - | - | - |
| Selling and administrative expense | (679.0) | (695.6) | (707.5) | (631.4) |
| EBITDA ^{2/} | 708.3 | 731.1 | 727.9 | 656.2 |

Remark : 1/ Gross profit after deducting direct cost of hotel business

2/ Earnings before interest, taxes, depreciation and amortization after including other revenues such as rent and interest income from other than normal hotel business operation approximately Baht 74.3 million a year (historical average of other revenues of the Target)

Growth rate of free cash flow after the projection period

- Given conservative basis, the growth rate of free cash flow after the projection period is assumed to be 0% per year

Discount Rate

- Discount rate to calculate present value of free cash flow is Weighted Average Cost of Capital: WACC which is a weighted average of cost of debt (K_d) and cost of equity (K_e) as follows:

$$WACC = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

whereby

K_e = Cost of equity or shareholders' required rate of return (R_e)

K_d = Cost of debt or loan interest rate of the Target

T = Corporate income tax rate

E = Total shareholders' equity

D = Interest-bearing debt

- Cost of equity (K_e) or shareholders' required rate of return (R_e) is calculated from Capital Asset Pricing Model (CAPM) as follows:

$$K_e \text{ (or } R_e) = R_f + \beta (R_m - R_f)$$

whereby

Risk Free Rate (R_f) = Based on 30-year government bond yield (December 2014) at 3.86% which is long-term and appropriate government bond yield, assuming going concern operation

Beta (β) = 0.58 – 0.87 times, based on unlevered beta (average weekly 2-year historical data until 31 December 2014 from Bloomberg) of peer comparables including the Erawan Group PCL, Laguna Resorts & Hotels PCL and Central Plaza Hotel PCL and adjusted with interest-bearing debt to equity ratio of the Target

(Translation)

Market Return (R_m) = Average 7-year historical rate of return on SET from 2007 – 2014 which is equal to 18.67%. The said period is likely to include volatility of market in the past (both global economic crisis in 2008 and Thailand's political crisis in 2011 and 2014) and therefore considered to be appropriate representative of market rate of return

K_d = Projected borrowing rate at approximately 6.50% per year based on current average financial cost of the Target

D/E Ratio = Average interest-bearing debt to equity ratio at 0.06 – 0.08 times which is equal to average interest-bearing debt to equity ratio of the Target throughout the projection period

T = Estimated corporate income tax rate at 20% per year

- Calculated WACC is 14.91% per year

- Projection of the Target's free cash flow and present value of free cash flow given aforementioned assumptions can be summarized as follows:

| Unit: Million Baht | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F | 2021F | 2022F | 2023F |
|--|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Cash flow from operation ^{1/} | 823.3 | 270.8 | 426.0 | 460.4 | 493.8 | 532.3 | 587.0 | 529.2 | 507.8 |
| Change in operating assets and liabilities | 1,246.2 | (60.7) | (27.0) | (4.9) | (5.0) | (6.3) | (9.7) | (4.5) | (2.6) |
| CAPEX | (818.7) | (612.1) | (355.6) | (17.8) | (18.9) | (20.1) | (21.7) | (17.7) | (16.1) |
| Free Cash Flow to Firm (FCFF) | 1,250.7 | (402.0) | 43.5 | 437.8 | 469.9 | 506.0 | 555.6 | 507.0 | 489.1 |
| Present value of FCFF | 1,088.5 | (304.5) | 28.6 | 251.1 | 234.6 | 219.8 | 210.0 | 166.8 | 140.0 |

| Unit: Million Baht | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cash flow from operation ^{1/} | 515.3 | 530.6 | 546.3 | 562.4 | 579.0 | 596.2 | 613.9 | 632.1 | 629.6 |
| Change in operating assets and liabilities | (0.1) | (2.4) | (2.4) | (2.5) | (2.6) | (2.7) | (2.8) | (2.9) | 2.0 |
| CAPEX | (16.6) | (17.1) | (17.6) | (18.1) | (18.6) | (19.2) | (19.8) | (20.4) | (20.6) |
| Free Cash Flow to Firm (FCFF) | 498.7 | 511.1 | 526.2 | 541.8 | 557.8 | 574.3 | 591.3 | 608.9 | 611.1 |
| Present value of FCFF | 124.2 | 110.8 | 99.3 | 89.0 | 79.7 | 71.4 | 64.0 | 57.3 | 50.1 |

(Translation)

| Unit: Million Baht | 2033F | Terminal Value |
|--|--------|----------------|
| Cash flow from operation ^{1/} | 572.4 | |
| Change in operating assets and liabilities | 7.8 | |
| CAPEX | (18.6) | |
| Free Cash Flow to Firm (FCFF) | 561.5 | |
| Present value of FCFF | 40.0 | 233.7 |

Remark : 1/ Calculated from EBIT adjusted for corporate income tax and depreciation and amortization

- Present value of the Target as of 31 December 2014 is summarized as follows:

| | Unit: Million Baht |
|--|--------------------|
| Sum of present value of FCFF | 3,054.5 |
| Add - cash and cash equivalent | 238.1 |
| Add - Hyde II project | 862.2 |
| <u>Less – outstanding debts^{1/}</u> | <u>(1,753.3)</u> |
| Present value of the Target | 2,401.5 |

Remark : 1/ outstanding debt does not include debt of related company (TPROP) of Baht 157.8 million